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Bottorff

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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The William Carter Company
v.
H.W. Carter & Sons, Inc.

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Opposition No. 91111355
to application Serial No. 75368211
filed on October 6, 1997

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Opposition No. 91111375
to application Serial No. 75326378
filed on July 16, 1997

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Opposition No. 91114616
to application Serial No. 75454768
filed on March 23, 1998

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Opposition No. 91115259
to application Serial No. 75499446
filed on June 10, 1998

(Consolidated cases)

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Neil S. Hirshman, Mary E. Zaug and Paul D. Collier of Kirkland & Ellis for The William Carter Company.

Gail E. Nickols of Graham, Campaign, P.C. for H.W. Carter & Sons, Inc.

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Before Seeherman, Bottorff and Drost, Administrative Trademark Judges.

Opinion by Bottorff, Administrative Trademark Judge:

INTRODUCTION

These four consolidated opposition proceedings involve four intent-to-use applications filed by applicant H.W. Carter & Sons, Inc. to register the mark CARTER'S WATCH THE WEAR (in typed form) for various goods. In application Serial No. 75368211 (involved in Opposition No. 91111355), applicant seeks to register the mark for "pajamas, nightgowns, nightshirts and bathrobes" in Class 25. In application Serial No. 75326378 (involved in Opposition No. 91111375), applicant seeks to register the mark for "disposable diapers" in Class 16.[1] In application Serial No. 75454768 (involved in Opposition No. 91114616), applicant seeks to register the mark for "hosiery" in Class 25. In application Serial No. 75499446 (involved in Opposition No. 91115259), applicant seeks to register the mark for "toys, namely,

[1] This application also includes goods in Classes 3 and 18; opposer filed a notice of opposition only as to the Class 16 goods.

board games, card games, stuffed toy animals, dolls, and jigsaw puzzles" in Class 28.

Opposer, The William Carter Company, has opposed registration of applicant's mark in each of these applications on the ground that applicant's mark so resembles opposer's previously-used and registered mark CARTER'S as to be likely to cause confusion, to cause mistake, or to deceive. *See* Trademark Act Section 2(d), 15 U.S.C. §1052(d). Opposer pleaded and has proven its ownership of three subsisting registrations. The first is Registration No. 328,815, of the mark CARTER'S (in cursive script) for goods identified in the registration (as amended) as "underwear," "pajamas," and "sleepers" in Class 25.[2] The second is Registration No. 1,117,280, of the mark CARTER'S (typed form) for goods identified in the registration (as amended) as "bedding for infants, namely, cribsheets, blankets, towels and face cloths" in Class 24, and "clothing for infants and children, namely, underwear, swimwear, shirts, blouses, dresses, skirts, pants, slacks, shorts, coveralls, creepers, overalls, jackets, vests, sleepwear, bunting, bibs, booties,

[2] Issued October 8, 1935; third renewal.

bonnets, and slippers" in Class 25.[3] The third is Registration No. 1,830,836, of the mark CARTER'S (typed form) for goods identified in the registration (as amended) as "children's toys and playthings, namely, rattles [and] dolls" in Class 28.[4]

In response to each of the notices of opposition, applicant filed an answer in which it denied certain allegations essential to opposer's claim, and made various other arguments and allegations which we shall discuss more fully, *infra*.

Opposition Nos. 91111355 and 91111375 were consolidated by order of the Board dated October 29, 1998. Opposition Nos. 91114616 and 91115259 were consolidated by order of the Board dated March 6, 2000. In each of the two sets of consolidated oppositions (which proceeded on different trial schedules), the parties submitted evidence during their assigned testimony periods.[5] All four opposition proceedings

[3] Issued May 1, 1979; §§8 & 15 affidavits accepted and acknowledged; renewed. The registration includes a claim of acquired distinctiveness pursuant to Trademark Act Section 2(f).

[4] Issued April 12, 1994; §§8 & 15 affidavits accepted and acknowledged. The registration includes a claim of acquired distinctiveness pursuant to Trademark Act Section 2(f).

[5] It appears that the August 29, 2001 testimony deposition of Fred Rowan, opposer's chairman, president and CEO, was noticed and taken by applicant during applicant's testimony period in

subsequently were consolidated by order of the Board dated October 1, 2002. Each of the four oppositions has been separately and fully briefed by the parties, but no oral hearing was requested by either party. In view of the consolidation of the four proceedings and the presence of common issues of law and fact, we shall decide each of the four oppositions in this single opinion.

EVIDENCE OF RECORD

The evidence of record in these consolidated proceedings consists of:

(1) the pleadings in each case;

(2) the files of applicant's involved applications;

(3) opposer's notices of reliance in each of the two sets of consolidated cases, by which opposer made the following evidence of record:

(a) status and title copies of opposer's Registration Nos. 328,815, 1,117,280 and 1,830,836;

Opposition Nos. 91111355 and 91111375. Although the original transcript of this deposition is not present in the Board's file of these proceedings, we presume that applicant filed it in compliance with Trademark Rule 2.125(a), because applicant cites to and relies on it in its brief in each case. In any event, a copy of the deposition transcript is attached as an exhibit to each of opposer's main briefs, and we therefore have been able to review it.

(b) opposer's requests for admission nos. 1-6 and 13-28 in consolidated Opposition Nos. 91111355 and 91111375, along with its counsel's affidavit attesting to the fact that applicant failed to respond thereto;

(c) applicant's answers to opposer's interrogatory nos. 1-5 in both Opposition No. 91114616 and Opposition No. 91115259;

(d) certain excerpts from (and exhibits to) the two discovery depositions of applicant's president and CEO Norman Moskowitz (i.e., the August 12, 1999 deposition in consolidated Opposition Nos. 91111355 and 91111375, and the March 16, 2000 deposition in consolidated Opposition Nos. 91114616 and 91115259); and

(e) certain labels and tags of applicant's, and certain catalogs and literature of opposer's, all submitted pursuant to stipulation of the parties;

(4) the April 17, 2001 testimony deposition (with exhibits) of Suzanne Calkins (opposer's vice-president of licensing and business development) in Opposition Nos. 91111355 and 91111375;

(5) the April 17, 2001 testimony deposition (with exhibits) of David Derby (opposer's sales executive) in Opposition No. 91111355;

(6) the July 31, 2001 testimony deposition (with exhibits) of Suzanne Calkins (opposer's vice-president of licensing and business development) in Opposition Nos. 91114616 and 91115259;

(7) the August 29, 2001 testimony deposition (with exhibits) of Fred Rowan (opposer's chairman, president and CEO) in Opposition Nos. 91111355 and 91111375; and

(8) the August 29, 2001 testimony deposition (with exhibits) of Sherrie Coker (opposer's consumer relations supervisor) in Opposition Nos. 91114616 and 91115259, which also is of record (pursuant to the parties' stipulation) in Opposition Nos. 91111355 and 91111375.

OPPOSER'S MOTIONS TO STRIKE ARE GRANTED

In each of the four opposition proceedings, opposer has filed a motion to strike the evidentiary materials attached as exhibits to applicant's trial brief on the ground that such materials were not properly made of record at trial.[6] Applicant has not contested opposer's motions to strike, and we therefore grant the motions as conceded. *See* Trademark Rule 2.127(a), 37 C.F.R. §.127(a). Moreover, the motions to strike are well-taken; to the extent that the evidence attached to applicant's briefs was not properly made of record at trial, we will give it no consideration. *See* TBMP §704.05(b) (2d ed. June 2003) and cases cited therein.[7]

[6] In its October 1, 2002 order, the Board deferred ruling on opposer's motions to strike until final hearing.

[7] Accordingly, we strike and give no consideration to the following materials attached as exhibits to applicant's briefs:

- the copies of registrations allegedly owned by applicant (Exhibit A to applicant's brief in each case), which should have been made of record in accordance with Trademark Rule 2.122(d)(2), 37 C.F.R. 2.122(d)(2), but were not. We note as well that these registrations were not properly made of record by virtue of applicant's introduction of them as exhibits to the testimony depositions of opposer's employees Suzanne Calkins and Fred Rowan; the exhibits are not themselves status and title copies, and the witnesses did not testify as to the status and title of the registrations;

- the advertising materials marked as exhibits to the March 16, 2000 discovery deposition of applicant's witness Norman Moskowitz (Exhibit C to applicant's briefs in Opp. Nos. 91111355, 91111375 and 91114616, and Exhibit D to the brief in Opp. No. 91115259), which should have been made of record in

Additionally, we agree with opposer's contention, made in its reply briefs in each of the cases, that we must disregard all factual assertions made by applicant in its briefs which are not supported by the evidentiary record. See TBMP 704.06(b). We have given no consideration to any such unsupported factual assertion (including those listed in Appendix A to each of opposer's reply briefs).

Finally, we agree with opposer's contention, made in its reply briefs, that any factual assertions made by applicant in its briefs which derive solely from the court's opinion in the parties' prior litigation may be deemed to be established facts in this case only to the

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accordance with Trademark Rule 2.120(j)(4), 37 C.F.R. 2.120(j)(4), but were not;

- the various third-party registrations (Exhibits D and/or E to applicant's brief in each case), which should have been made of record in accordance with Trademark Rule 2.122(e), 37 C.F.R. 2.122(e), but were not; and

- applicant's interrogatory answers (except to the extent they were made of record via opposer's notice of reliance) and the third-party registrations attached as exhibits thereto (Exhibit C to applicant's brief in Opp. No. 91115259), which should have been made of record in accordance with Trademark Rule 2.120(j)(5), 37 C.F.R. 2.120(j)(5), but were not.

However, we do not strike Exhibit B to each of applicant's briefs, i.e., the copy of the court's (slip opinion) decision in the parties' prior litigation; rather, we take judicial notice thereof, and note as well that the decision is reported at 913 F.Supp. 796 (S.D.N.Y. 1996). See *infra*. Also, we do not strike the third-party registration of the mark CARTERCOPTERS (Reg. No. 2,472,509), because that registration was properly made of record as an exhibit to the testimony deposition of Fred Rowan in Opp. No. 91111355. *See* TBMP 704.03(b)(1)(B).

extent that the doctrine of issue preclusion (also known as collateral estoppel) might apply. We turn now to a discussion of the parties' prior litigation and its effect on the present proceedings.

THE PARTIES' PRIOR LITIGATION (AND APPLICANT'S *RES JUDICATA* ARGUMENT)

The parties were involved in litigation in 1995 in the United States District Court for the Southern District of New York, the outcome of which was decided in a January 25, 1996 opinion by Judge Denny Chin.[8] The dispute which gave rise to the litigation arose from the following facts, as recounted by Judge Chin [court's citations to record omitted]:

> In early 1995, AME [American Marketing Enterprises, Inc., applicant's licensee] launched a line of boys' clothing under the mark CARTER'S WATCH THE WEAR. The line included jeans, overalls, shortalls, and shirts, made primarily from denim and flannel-type fabrics. The new line, however, also contained non-denim, non-flannel items such as rugby and other shirts.
>
> In February 1995, AME ran a two-page advertisement in Children's Business, a trade journal that covers the children's apparel and toy business, announcing:

[8] *H.W. Carter & Sons, Inc. and American Marketing Enterprises, Inc. v. The William Carter Co.*, No. 95 Civ. 1274 (DC). Judge Chin's opinion is reported at 913 F.Supp. 796 (S.D.N.Y. 1996).

> American Marketing Enterprises introduces H.W. Carter & Sons' new line of fashion denim, related separates and outerwear for boys.
>
> . . .
>
> At approximately the same time that AME was preparing its launch of the new line of boys' fashion denim, Wm. Carter was also making plans to rely more heavily on denim in its children's clothing.
>
> . . .
>
> It was in this context that Rowan [Fred Rowan, opposer's president] learned of AME's launch. Wm. Carter's attorneys contacted H.W. Carter's attorneys almost immediately. AME arranged for Wm. Carter's representatives to see the new line. On February 16, 1995, Wm. Carter's attorneys wrote to plaintiffs' [applicant's] attorneys, asserting that "the New Line constitutes a clear and serious infringement of the valuable trademark rights of [Wm. Carter.]" The letter further stated that "[I]f a resolution is not possible, [Wm. Carter] will have no choice but to commence trademark infringement litigation and seek an expedited hearing for an injunction." . . . Counsel requested that the new line be withdrawn, that plaintiffs change the mark for the new line from CARTER'S WATCH THE WEAR to WATCH THE WEAR, and that plaintiffs change the identification of the source of the new line from H.W. Carter to AME.
>
> Plaintiffs [applicant] responded to the letter by filing this lawsuit on February 22, 1995 [seeking a declaratory judgment that their use of the mark CARTER'S WATCH THE WEAR did not infringe upon Wm. Carter's trademarks]. The next day, Wm. Carter filed its counterclaims [alleging that plaintiff's use of the mark CARTER'S WATCH THE WEAR infringed on its registered trademark CARTER'S].

913 F.Supp. at 801-02 (pp. 13-16 of the slip opinion attached as Exhibit B to applicant's briefs).

With this background, Judge Chin stated: "The principal issue presented is whether plaintiff's [applicant's] use of the trademark CARTER'S WATCH THE WEAR *in their new line of boys' clothing* violates Wm. Carter's rights to its trademark CARTER'S. I hold that it does not."

913 F.Supp. at 802 (slip op. at 16). (Emphasis added).

Judge Chin found as follows:

> *Here, H.W. Carter was the first user of the CARTER'S name in connection with the sale of children's outerwear, overalls, denim products, and what is aptly described as "workwear."*[9] Moreover, since 1930 it has continuously used the mark CARTER'S WATCH THE WEAR in connection with children's outerwear, overalls, denim products and "workwear." On the other hand, Wm. Carter did not begin using CARTER'S in the sale of children's clothing – other than undergarments, sleepwear, and layettes – until the 1950's. It did not sell any denim products until the 1970's.

913 F.Supp. at 802 (slip op. at 17-18). (Emphasis added).

The court then stated its holding as follows:

[9] Court's footnote 7: "Defendant [opposer herein] argues that there is no separate category of children's clothing called 'workwear.' I disagree."

> Accordingly, on the basis of its continuous and substantial use of the mark CARTER'S WATCH THE WEAR since 1930, *I hold that H.W. Carter is the senior user of the mark CARTER'S in the sale of children's overalls, pants, coats, jackets, and other "workwear," which includes playwear made from denim products.*

913 F.Supp. at 803 (slip op. at 20). (Emphasis added). The court also held: "In light of my decision on the issue of priority, I need not reach the issue of likelihood of confusion. … Likewise, I need not reach plaintiff's [applicant's] laches, acquiescence, and estoppel arguments." 913 F.Supp. at 804 (slip op. at 22). The court concluded its opinion by ordering that:

> Judgment will be entered in favor of plaintiffs on their trademark infringement claims. Their use of the mark CARTER'S WATCH THE WEAR in the manufacture, advertisement, promotion and sale of *children's overalls, pants, coats, jackets, and "workwear," including the clothing featured in AME's new line*, does not infringe any trademark of defendant or otherwise compete unfairly with defendant.

913 F.Supp. at 805 (slip op. at 25). (Emphasis added).

In these opposition proceedings, applicant has repeatedly contended that Judge Chin's decision establishes, under the doctrine of *res judicata*, that applicant, not opposer, is the senior user of CARTER'S as to "children's clothing." Applicant's sole basis for

this contention is the following language in the introductory summary to the court's opinion: "Because I find that H.W. Carter is the senior user of the CARTER'S name in the sale of children's clothing, judgment will be entered in favor of plaintiffs on their trademark claims." 913 F.Supp. at 797 (slip op. at 3). Applicant argues that "there is no limitation on the type of children's clothing in this language – H.W. Carter is not relegated to workwear or even playwear only." (See, e.g., applicant's brief in Opposition No. 91111355 at 17.)

We reject applicant's argument, because it clearly ignores the more specific language (quoted above) that the court used to identify the issue in the prior case, state its holding, and issue its order. The court's more generalized language in the introductory summary applicant cites must be read in conjunction with, and in the context of, the actual dispute which gave rise to the litigation, the court's explicit statement of the issue to be decided, and the court's actual holding and order in the case. What the court found and expressly decided was not that applicant has priority vis-à-vis opposer as to any and all children's clothing, but rather that applicant has priority as to "children's overalls, pants, coats, jackets, and other 'workwear,' which includes

playwear made from denim products." 913 F.Supp. at 803 (slip op. at 20). Because none of these items is included in the identifications of goods in the four applications involved in these opposition proceedings, the court's decision has no *res judicata* effect in these proceedings.

That is, the doctrine of claim preclusion is not applicable here, because the prior litigation involved a different set of transactional facts and thus a different claim than that which is involved in these opposition proceedings. *See Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854 (Fed. Cir. 2000); *Litton Industries, Inc. v. Litronix, Inc.*, 577 F.2d 709, 198 USPQ 280 (CCPA 1978). Nor is applicant's argument availing under the doctrine of issue preclusion,[10] because the "issue" applicant claims was resolved in the prior litigation, i.e., applicant's priority vis-à-vis opposer

[10] Under the doctrine of issue preclusion, "issues which are actually and necessarily determined by a court of competent jurisdiction are conclusive in a subsequent suit involving the parties to the prior litigation." *Mother's Restaurant Incorporated v. Mama's Pizza, Inc.*, 723 F.2d 1566, 221 USPQ 394, 397 (Fed. Cir. 1983). There are four elements required for application of the doctrine of issue preclusion: (1) identity of the issues in a prior proceeding; (2) the issues were actually litigated; (3) the determination of the issues was necessary to the resulting judgment; and (4) the party defending against preclusion had a full and fair opportunity to litigate the issues. *Jet Inc. v. Sewage Aeration Systems*, *supra*; *Mother's Restaurant Incorporated, supra*.

as to "children's clothing" in general, was not actually litigated in the prior case. The only issue that was actually litigated in the prior case, and the only issue whose determination was necessary to the resulting judgment, was the issue of which party had priority as to "children's overalls, pants, coats, jackets, and other 'workwear,' which includes playwear made from denim products."

Additionally, as discussed above in connection with opposer's motions to strike applicant's untimely evidentiary submissions, we have given no consideration to any factual assertions made in applicant's brief which are not supported by evidence properly made of record. This includes applicant's factual assertions which are based solely on citations to incidental facts recited in Judge Chin's opinion. None of those factual issues was necessary to the court's judgment, and the court's findings as to those factual issues have no preclusive effect, or evidentiary value, in these proceedings.

In short, the only *res judicata* import of the court's decision in the parties' prior litigation is the court's finding that applicant is the senior user of the CARTER'S name, vis-à-vis opposer, on "children's overalls,

pants, coats, jackets, and other 'workwear,' which includes playwear made from denim products."[11]

APPLICANT'S OTHER "DEFENSES"

In its briefs in the four oppositions, applicant has made arguments in support of an asserted "prior registration" (or "Morehouse"[12]) defense, and also argues that opposer is guilty of laches and acquiescence. We reject all of these defenses.

Prior Registration Defense

Even if we assume that applicant, in its answers to the notices of opposition, adequately pleaded a prior

[11] This is not the first time in this case that the Board has rejected applicant's argument regarding the *res judicata* effect of the prior litigation. In its May 16, 2000 order denying the parties' cross-motions for summary judgment in Opposition No. 91114616, the Board expressly ruled that because the court's decision in the prior litigation was limited to "workwear," goods not involved herein, that decision has no *res judicata* effect in this case. Applicant's continued assertion of this specious *res judicata* argument in its final briefs in each of these opposition proceedings borders on the frivolous.

Additionally, we agree with opposer's contention (in its reply briefs) that applicant has blatantly mischaracterized the court's opinion by arguing (in its briefs in Opposition Nos. 91114616 and 91115259) that Judge Chin "saw the [parties'] two trademarks as distinct from one another." (See, e.g., applicant's brief in Opp. No. 91115259 at 7, 14.) Applicant cites to no portion of the court's opinion in which this purported finding or observation was made by Judge Chin. Indeed, the court expressly stated that it did not reach the issue of likelihood of confusion.

registration defense under the principles of notice pleading, we find that applicant has failed to present any evidence in support of the defense. As noted above, the copies of applicant's registrations which were attached as Exhibit A to applicant's final briefs have been stricken and are not evidence of record. Applicant therefore has failed to establish that it owns any prior registrations which might serve as the basis for a prior registration defense.

Moreover, even if applicant had properly made its alleged registrations of record, its prior registration defense would fail because the goods identified in those registrations are not "substantially identical" to any of the goods involved in the four applications involved in these opposition proceedings. Applicant argues that the goods identified in its current applications are within the natural scope of expansion of the goods identified in its prior registrations. Even assuming that this is true (and we make no finding on that question), it does not suffice to make out the defense. The defense is applicable only if the goods in the application and the prior registration are "substantially identical." *See*

[12] *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969).

TBC Corp. v. Grand Prix Ltd., 12 USPQ2d 1311 (TTAB 1989).[13]

Laches and Acquiescence

Applicant failed to plead laches, acquiescence or any other affirmative defense in its answers to the notices of opposition in these cases, and it therefore may not argue those defenses in its final briefs. *See United States Olympic Committee v. Bata Shoe Corp.*, 225 USPQ 340 (TTAB 1984); *Taffy's of Cleveland, Inc. v. Taffy's, Inc.*, 189 USPQ 154 (TTAB 1975); TBMP §311.02(c). Even if applicant had pleaded them, however, it is well-settled that laches and acquiescence are not available as defenses in an opposition proceeding. *See National Cable Television Ass'n v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991); and *DAK Industries, Inc. v. Daiichi Kosho Co.*, 25 USPQ2d 1622 (TTAB 1992). Additionally, even if the defenses were available in this case, applicant has failed to present evidence sufficient to make out the defenses. The mere conclusory assertions in applicant's briefs regarding

[13] Again, the Board held as much in its May 16, 2001 summary judgment decision in Opposition No. 91114616. Applicant's continued assertion of this defense in its final briefs in each opposition borders on the frivolous.

applicant's alleged prejudicial reliance on opposer's "non-action" (e.g., applicant's expansions of its product lines, its filing of applications for trademark registrations, its hiring of marketing consultants, its advertising and promotional expenditures, etc.) simply are not supported by any competent evidence in the record.

For the reasons discussed above, the laches and acquiescence arguments applicant raises for the first time in its appeal briefs are unavailing in this case.

***du Pont* Factor 10(d)**

As discussed above, laches and acquiescence are not available as affirmative defenses in an opposition proceeding. We also have already noted that applicant has failed to present evidence which proves the requisite elements of these defenses, *qua* defenses. We note, however, that the tenth *du Pont*[14] likelihood of confusion evidentiary factor requires us to consider, *inter alia*, evidence of "laches and estoppel attributable to owner of prior mark and indicative of lack of confusion." *See generally In re Opus One Inc.*, 60 USPQ2d 1812, 1819-22

(TTAB 2001). Although applicant has not cited this *du Pont* factor specifically, it nonetheless appears that applicant essentially is relying on it to a large extent in defending against opposer's claims. In the interest of completeness, we will address applicant's arguments in the context of this tenth *du Pont* factor.

Applicant devotes much of the argument in its briefs to its contention that opposer, in the 1960's, "encroached" with its CARTER'S mark into markets and product lines as to which applicant is the prior user of its CARTER'S WATCH THE WEAR mark. Applicant argues that this is evidence that opposer believed that no likelihood of confusion would result from the parties' concurrent use of their marks even on identical goods, and that opposer therefore is guilty of a "double standard" in claiming, in these opposition proceedings, that applicant's use of its mark on goods in opposer's product lines is likely to cause confusion. We are not persuaded.

Even assuming that opposer's expansion into the children's playwear market constituted an entry into applicant's traditional workwear market (including denim playwear), that would not be evidence which is

[14] *In re E. I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

"indicative of lack of confusion," in the words of the tenth *du Pont* factor. There is no basis in the record for finding that opposer entered that market because it assumed or believed that confusion was unlikely to result from its use of its CARTER'S mark on such goods. Indeed, until Judge Chin's 1996 decision held otherwise, opposer obviously believed that it, not applicant, was the senior user of CARTER'S as to children's playwear, and that it therefore had the right to enter into the denim playwear market as a natural expansion of its children's playwear line. Otherwise, it would not have sued applicant for infringement when applicant launched its new line in 1995.

Thus, there is no evidence which establishes that when (and assuming that) opposer expanded (in the 1960's) into what was subsequently determined (in 1996) to be applicant's market, it did so because it assumed or believed that confusion was unlikely to result, a fact which, if proven, would weigh against a finding of likelihood of confusion in this case. Because a more plausible explanation for such expansion by opposer was its belief that it was opposer, not applicant, that had priority as to such goods, we find that the tenth *du Pont* factor, i.e., "laches and estoppel attributable to owner of prior mark and indicative of lack of confusion," does

not weigh in applicant's favor but instead is neutral in this case. *See In re Opus One Inc., supra*.[15]

Having addressed applicant's "defenses," we turn now to the merits of opposer's Section 2(d) ground of opposition in each of these four consolidated proceedings. To prevail in each case, opposer must establish its standing to oppose, its priority of use (or ownership of a registration), and the existence of a likelihood of confusion.

OPPOSITION NO. 91111355

Opposition No. 91111355 involves applicant's application Serial No. 75368211, by which applicant seeks to register the mark CARTER'S WATCH THE WEAR for "pajamas, nightgowns, nightshirts and bathrobes."

STANDING

Opposer has made of record status and title copies of its Registration No. 328,815 (which is of the mark CARTER'S (in cursive script) for "underwear, pajamas, sleepers") and its Registration No. 1,117,280 (which is

[15] Even if the evidence of record under *du Pont* factor 10(d) were deemed to weigh in applicant's favor, it would be outweighed by the evidence of record on the remaining *du Pont* factors, which favor opposer. See discussion *infra*.

of the mark CARTER'S (in typed form) for, inter alia, "sleepwear." (Opposer's notice of reliance, Exh. A and B.) In view thereof, and because opposer has asserted a non-frivolous likelihood of confusion claim, we find that opposer has established its standing to oppose registration of applicant's mark in Opposition No. 91111355. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Company*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

PRIORITY

Because opposer has proven the status and title of its Registration Nos. 328,815 and 1,117,280, priority is not at issue with respect to the goods identified in those registrations, i.e., "underwear, pajamas, sleepers" in Registration No. 328,815, and "sleepwear" in Registration No. 1,117,280. *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Thus, as to the "pajamas, nightgowns and nightshirts"[16] identified in applicant's application, opposer need not prove priority of use. In any event, opposer's priority of use as to these goods is established by the record. (See, e.g., Derby Depo. at 11-12; Calkins 4/17/01 Depo. at 21-22.)

As to the other goods identified in applicant's application, i.e., "bathrobes," which are not specifically identified in any of opposer's registrations, we find that opposer has established its priority of use. Applicant has admitted that it has not used its mark on any of the goods identified in its application, including bathrobes. See opposer's requests for admission nos. 13-16 and 21-24 (Exhibit C to opposer's notice of reliance),

and Moskowitz 8/12/99 Depo. at 42-46 (Exhibit D to opposer's notice of reliance). Thus, the earliest date upon which applicant can rely for priority purposes is the October 6, 1997 filing date of its application. Opposer has used its CARTER'S mark on bathrobes since at least as early as 1989 (Calkins 4/17/01 Depo. at 24-25), a date prior to October 6, 1997.

Thus, we find that priority is not at issue with respect to the "pajamas, nightgowns, nightshirts" identified in applicant's application (and that opposer has proven its priority as to those goods in any event), and that opposer has established its priority of use as to the "bathrobes" identified in applicant's application.[17]

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[16] We take judicial notice that "nightgowns" and "nightshirts" are species of "sleepwear." See also Calkins 4/17/01 Depo. at 19.

[17] CARTER'S is a surname, and therefore opposer, to demonstrate priority with respect to its common law uses, must show that CARTER'S acquired distinctiveness as a mark prior to the filing date of applicant's application. Because opposer's use of its mark on bathrobes commenced at least five years prior to applicant's application filing date, and in view of the relationship between bathrobes and the sleepwear and other apparel items identified in opposer's registrations, as discussed *infra*, we find that opposer's CARTER'S mark, as applied to bathrobes, had acquired distinctiveness prior to applicant's application filing date, and that opposer therefore has priority of secondary meaning in the CARTER'S designation as applied to bathrobes, as well as priority of use on such goods. *See, e.g., Perma Ceram Enterprises, Inc. v. Preco Industries, Ltd*., 23 USPQ2d 1134 (TTAB 1992).; c*f.* Trademark Act Section

LIKELIHOOD OF CONFUSION

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the likelihood of confusion factors set forth in *In re E.I. du Pont de Nemours and Co.,* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.,* 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976). Also, it is settled that where the opposer's mark is a famous mark, that fame plays a dominant role in the process of balancing the *du Pont* factors. *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 1327, 54 F.2d 1894, 1897 (Fed. Cir. 2000). We thus turn first to the issue of the fame of opposer's mark.

Fame of Opposer's Mark

2(f), 15 U.S.C. §1052(f); Trademark Rule 2.41(b), 37 C.F.R. §2.41(b).

The fifth *du Pont* evidentiary factor requires us to consider evidence of the fame of opposer's mark, and to give great weight to such evidence if it exists. *See Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1309 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, *supra*; *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992).

> Fame of an opposer's mark or marks, if it exists, plays a "dominant role in the process of balancing the *DuPont* factors," *Recot*, 214 F.3d at 1327, 54 USPQ2d at 1897, and "[f]amous marks thus enjoy a wide latitude of legal protection." *Id*. This is true as famous marks are more likely to be remembered and associated in the public mind than a weaker mark, and are thus more attractive as targets for would-be copyists. *Id*. Indeed, "[a] strong mark … casts a long shadow which competitors must avoid." *Kenner Parker Toys*, 963 F.2d at 353, 22 USPQ2d at 1456. A famous mark is one "with extensive public recognition and renown." *Id*.

Bose Corp. v. QSC Audio Products Inc., supra, 63 USPQ2d at 1305.

The evidence of record clearly establishes the fame of opposer's CARTER'S mark. Opposer's primary product lines under the CARTER'S brand are infants' and children's sleepwear, infants' layette, and infants' and

children's playwear. (Calkins 4/17/01 Depo. at 12; Derby 4/17/01 Depo. at 12; Calkins 7/31/01 Depo. at 11-12.) Opposer's goods are available nationwide in department stores, national chain stores, off-price stores, infant and children specialty stores, and via mail order and the Internet. (Calkins 4/17/01 Depo. at 26-27.) Opposer operates 149 CARTER'S retail outlet stores nationwide, which offer for sale opposer's complete line of products. (*Id*. at 34; Calkins 7/31/01 Depo. at 15-16.) Developers of outlet centers look to bring in opposer's outlet stores because they are "destination sites" which attract consumers to the outlet centers. (Calkins 4/17/01 Depo. at 34; Calkins 7/31/01 Depo. at 17.)

Opposer's total sales of CARTER'S-branded goods for the year 2000, at wholesale and through its own retail outlet stores, totaled $450 million.[18] (Calkins 7/31/01 Depo. at 17-18.) Opposer typically spends $10 million per year to advertise and promote the brand. (*Id*. at 66-67.) Such advertising includes direct mail circulars

[18] Ms. Calkins testified that opposer's wholesale sales figures (i.e., sales through retail channels other than opposer's own outlet stores) must be doubled to arrive at the corresponding retail sales figures. (Calkins 4/17/01 Depo. at 36-37.) Opposer's outlet store sales make up forty percent of opposer's total sales (*Id*. at 77); wholesale sales therefore make up sixty percent of opposer's total sales, and it is that sixty percent figure which must be doubled to arrive at opposer's total retail sales figures.

featuring opposer's products, which are mailed out ten to twelve times per year in partnership with opposer's major retailer customers, reaching 50 million consumers annually. (*Id*. at 37-42.) Opposer's products also are prominently displayed in retailers' stores with their own in-store fixturing and signage, and opposer participates with retailers in in-store events (such as store openings) which feature opposer's goods. (*Id*. at 61-65.) Ms. Calkins testified that "[r]etailers like to advertise the Carter's brand name because it brings consumers into their stores." (Calkins 7/31/01 Depo. at 24.) A recent study conducted by opposer shows that CARTER'S has a 95% brand awareness level among mothers and grandmothers and an 80% repurchase intent among those same consumers, and that CARTER'S is among the highest-ranking brands in terms of consumers' "trust level." (Calkins 7/31/01 Depo. at 11, 19.)

Opposer's CARTER'S mark certainly is famous as applied to infants' and children's sleepwear. CARTER'S is and for many years has been the number one-selling brand of infants' and children's sleepwear in the country, in terms of both dollar amounts and units sold. (Calkins 4/17/01 Depo. at 35-36, 74-76.) In 2000, opposer sold 20 million units of such sleepwear totaling $125 million at

wholesale and through opposer's outlet stores, four times more than its nearest competitor. Sales have been increasing and are expected to continue increasing at 9% to 10% per year. (*Id*. at 66-67.) Opposer's advertising and promotional activities often focus on opposer's sleepwear, because "it's what consumers really look to Carter's for. They expect to find Carter's sleepwear, so we gear them to the right stores to find it." (Id. at 38.)

Based on this evidence, we find, for purposes of the fifth *du Pont* likelihood of confusion evidentiary factor, that opposer's CARTER'S mark is a famous mark for infants' and children's apparel in general, and as applied to infants' and children's sleepwear in particular. That fame weighs heavily in opposer's favor; indeed, in light of the authorities cited above, the fame of opposer's mark must be deemed a dominant factor in our likelihood of confusion analysis in this case.[19]

Similarity of Marks

[19] Applicant argues that although opposer's mark may be famous, we also should take into account the fame of applicant's mark in our likelihood of confusion analysis. We are not persuaded. The fifth *du Pont* factor requires us to consider evidence of "the fame of the prior mark." Opposer's mark, not applicant's mark, is "the prior mark" as to the goods involved in this case.

The first *du Pont* evidentiary factor requires us to determine whether applicant's mark and opposer's mark, when compared in their entireties in terms of appearance, sound and connotation, are similar or dissimilar in their overall commercial impressions. The test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *See Sealed Air Corp. v. Scott Paper Co.,* 190 USPQ 106 (TTAB 1975). Furthermore, although the marks at issue must be considered in their entireties, it is well-settled that one feature of a mark may be more significant than another, and it is not improper to give more weight to this dominant feature in determining the commercial impression created by the mark. *See In re National Data Corp.,* 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). Finally, where, as in the present case, the marks would

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Moreover, applicant's argument that its mark is famous is not supported by the evidentiary record.

appear on virtually identical goods (see discussion *infra*), the degree of similarity between the marks which is necessary to support a finding of likely confusion declines. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992). Likewise, because opposer's mark is famous, it must be accorded a wide latitude of legal protection vis-à-vis competing marks. *Recot Inc. v. M.C. Becton*, *supra*.

Applying these principles in the present case, we find that in terms of appearance, sound and connotation, the marks are identical to the extent that they both include the word CARTER'S, and dissimilar to the extent that applicant's mark, but not opposer's mark, includes the words WATCH THE WEAR.[20] Viewing the marks in their entireties, we find that the overall commercial impressions created by the marks are more similar than dissimilar. That is, we find that the similarity between the marks which results from the presence of CARTER'S as the first (or only) word in the marks outweighs the

[20] The cursive script in which opposer's CARTER'S mark appears in Reg. No. 328,815 does not distinguish the marks in terms of appearance. That stylization is de minimis, and applicant's mark (which applicant seeks to register in typed form) could be depicted on applicant's goods in a similar cursive script. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937 (Fed. Cir. 1983).

dissimilarities which result from the presence of the additional wording WATCH THE WEAR in applicant's mark.

Applicant argues that its CARTER'S WATCH THE WEAR mark is a "unitary expression" which should not be dissected in our comparison of the marks. We are not persuaded that applicant's mark is a unitary expression. WATCH THE WEAR would likely be viewed as a unitary expression, i.e., as a phrase which has a coherence and a meaning (suggesting durability) which is independent of the three words considered separately. CARTER'S WATCH THE WEAR, however, is not a unitary expression. CARTER'S WATCH THE WEAR has no discernible unitary meaning or coherence, either as a matter of grammatical construction or of logical connotation. Rather, the mark consists of and would be perceived as having two elements, i.e., the name CARTER'S, followed by the unitary slogan WATCH THE WEAR. Applicant has not suggested any specific unitary meaning or significance that could be or would be attributed to the words CARTER'S WATCH THE WEAR. Contrary to applicant's argument, the mere fact that applicant always uses the four words together does not make of the four words a unitary expression with a coherent,

independent meaning of its own.[21]

Having found that CARTER'S WATCH THE WEAR is not a unitary phrase or expression, we further find that the dominant feature in the commercial impression created by applicant's mark is the possessive name CARTER'S, and that this dominant feature must be given greater weight in our analysis of the commercial impression created by applicant's mark (and in our comparison of applicant's mark and opposer's mark). In so finding, we are not dissecting the mark. Rather, for the rational reasons discussed below (*see In re National Data Corp., supra*), we find that purchasers viewing the mark in its entirety would look to the name CARTER'S as the dominant source-indicating feature of the mark, and would perceive and understand WATCH THE WEAR to be a separate, suggestive slogan or tag line appended to that name.

CARTER'S is the first word of applicant's mark, a fact which contributes to its dominance in the commercial impression created by the mark. *See, e.g., Presto*

[21] Also unpersuasive is applicant's contention that CARTER'S WATCH THE WEAR is a unitary mark because its historical derivation is the 1929 merger of two companies that previously had used, respectively, the mark CARTER'S and the mark WATCH THE WEAR. There is no evidence that purchasers are or would be aware of this historical derivation. Even if they were so aware, they still would view the mark as a combination of two separate marks, CARTER'S and WATCH THE WEAR, rather than as a unitary phrase or expression.

Products, Inc. v. Nice-Pak Products, Inc., 9 USPQ2d 1895 (TTAB 1988). The wording WATCH THE WEAR is suggestive of a feature or characteristic of the goods, i.e., their durability.[22] It therefore would have comparatively less source-indicating significance to purchasers viewing the mark than the name CARTER'S would have.[23]

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[22] Applicant acknowledges that the wording has this suggestive connotation. See, e.g., applicant's brief in Opposition No. 91111355, at 8.

[23] Opposer has presented testimony which, opposer argues, suggests that applicant's own customers abbreviate applicant's CARTER'S WATCH THE WEAR mark simply as CARTER'S when referring to applicant's goods. Sherrie Coker, opposer's customer relations supervisor, testified that between January 1 and August 29 of 2001, she spoke with twenty-three persons who had complaints about products which they apparently thought were opposer's products, but which turned out to be applicant's products. She testified that these persons insistently referred to these products of applicant's simply as CARTER'S, even after being told that the products were not opposer's products, and even if they were looking at the product labels or tags which included the words WATCH THE WEAR. We reject applicant's hearsay objection to this testimony; the statements made by customers to Ms. Coker are not offered by opposer for the truth of the matters asserted, but rather are offered to prove simply that the statements were made. Nonetheless, we accord little probative weight to these statements as evidence on the issue of the commercial impression of applicant's mark. It appears to be equally likely that these calls are evidence of actual source confusion; the customers saw the name CARTER'S on applicant's products and assumed that the products were opposer's, notwithstanding the additional presence of the words WATCH THE WEAR on the products' labels. Because that interpretation of Ms. Coker's testimony (and the customer statements she reports) is at least plausible, we are not persuaded that the testimony necessarily proves opposer's contention that applicant's customers commonly (or ever) abbreviate or refer to applicant's mark simply as CARTER'S. Opposer expressly states in its briefs that it is not offering this testimony to prove actual confusion under the seventh *du Pont* factor, since the customer calls

We agree with opposer's contention that the parties' marks are similar because applicant's mark CARTER'S WATCH THE WEAR incorporates opposer's CARTER'S mark in its entirety as a prominent and indeed dominant feature of applicant's mark. We have given due consideration to the contribution which the words WATCH THE WEAR make to the commercial impression of applicant's mark, and we find that the presence of these words does not suffice to distinguish the marks in terms of their overall commercial impressions as indications of source. WATCH THE WEAR is likely to be perceived merely as a slogan or tag line appended to the name CARTER'S, intended to suggest the durability of the goods. The record shows that opposer also uses and has used various slogans and tag lines in conjunction with the CARTER'S name on its sleepwear, either as part of trademarks or in advertising and promotional campaigns. These include: CARTER'S FUZZY FLEECE; CARTER'S COMFORT YOU'VE LEARNED TO LOVE; CARTER'S, IF THEY COULD JUST STAY LITTLE TILL THEIR CARTER'S WEAR OUT; and CARTER'S DREAMAKERS. (Calkins 4/17/01 Depo. at 22-23.) Given opposer's past use of such slogans or tag lines with its famous CARTER'S mark

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involved goods not at issue in these cases. Accordingly, we have not considered it as such.

(especially a slogan which suggests the durability of the products, i.e., CARTER'S, IF THEY COULD JUST STAY LITTLE TILL THEIR CARTER'S WEAR OUT), purchasers are more likely to assume that the wording WATCH THE WEAR in the mark CARTER'S WATCH THE WEAR is yet another such slogan of opposer's or another variant CARTER'S mark, rather than an indication that the goods originate from a source other than opposer.

In summary, we find that the differences in appearance, sound and meaning which result from the presence in applicant's mark of the words WATCH THE WEAR are not sufficient to overcome the basic and essential similarity between the marks which results from the presence in both marks of the name CARTER'S. This is especially so when we take into account the identical nature of the parties' goods (see discussion *infra*) and the concomitant lesser degree of similarity between the marks which is necessary to support a finding of likelihood of confusion, *see Century 21 Real Estate Corp. v. Century Life of America*, *supra*, and the fame of opposer's mark, which "casts a long shadow" which competitors must avoid. *See Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, *supra.*

For the reasons discussed above, we find that the first *du Pont* factor weighs in opposer's favor.

Similarity of Goods

Opposer's registrations include "pajamas" and "sleepwear," *inter alia*, in their identifications of goods. As identified in the registrations, those goods are legally identical to and/or encompass the "pajamas," "nightgowns" and "nightshirts" identified in applicant's application. Opposer also has proven that it is the prior user of its CARTER'S mark on bathrobes for infants and children, goods which are legally identical to and encompassed by the "bathrobes" identified in applicant's application. Thus, we find that the parties' goods, as identified in the application and registrations, respectively, are legally identical. *See Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987). The second *du Pont* factor accordingly weighs in opposer's favor in our likelihood of confusion analysis.

Trade Channels and Classes of Purchasers

Having found that the parties' goods are legally identical, we find that the trade channels and classes of

purchasers for these goods are legally identical as well. Moreover, the identifications of goods in applicant's application and in opposer's registrations include no limitations or restrictions as to trade channels or classes of purchasers, and we therefore presume that both parties' goods are or can be marketed in all normal trade channels and to all normal classes of purchasers for such goods. *See Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*,

supra.

The record establishes that the normal trade channels for these goods include department stores (such as Macy's and Hecht's), national chain stores (such as Sears and J.C. Penney), off-price stores (such as Marshall's), infant and children specialty stores, outlet stores, discount stores (such as Target), mail order sales and Internet sales. (Calkins 4/17/01 Depo. at 26-27.) Opposer markets its CARTER'S-branded goods in all of these trade channels except for discount stores (*id*. at 31), and applicant's unrestricted application likewise would entitle applicant to market its goods in these same trade channels.[24] The normal purchasers of these goods are general consumers, including the mothers, grandmothers and gift-givers who are opposer's target consumers (*id*. at 15, 67) and to whom applicant's unrestricted application likewise would entitle applicant to market its goods.

In summary, we find that the trade channels and classes of purchasers for the parties' respective goods

[24] Applicant argues that, in actual practice, opposer sells a significant amount (roughly forty percent) of its sleepwear items through its own 148 outlet stores (Calkins 4/17/01 Depo. at 77-78), a trade channel in which applicant's goods would not be sold. However, the remaining sixty percent of opposer's goods are marketed in the other normal trade channels for such

are similar and indeed overlapping. The third *du Pont* factor therefore weighs in opposer's favor.

Purchasing Conditions

We find that the goods at issue are inexpensive, ordinary consumer items, which are purchased by ordinary consumers (such as mothers, grandmothers, and gift-givers) with no more than ordinary care. They are not expensive items; opposer's sleepwear items cost an average of eight to ten dollars at retail. (Calkins 4/17/99 Depo. at 24.) Nothing in the record establishes that there is anything about these goods or the level of care with which they are purchased which necessarily would lessen the likelihood of confusion.[25] The fourth *du*

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goods, the same trade channels in which applicant's goods also must be presumed to be marketed.

[25] We note that opposer's CARTER'S-branded goods, as marketed in department stores and other retail stores, almost always are displayed to customers in opposer's own in-store fixtures, with signage bearing opposer's mark. (Rowan Depo. at 12-16; Calkins 4/17/01 Depo. at 64, 68.) We are not persuaded by applicant's argument that the likelihood of confusion is lessened to any appreciable extent because opposer's goods typically are displayed in opposer's own in-store fixtures. Opposer's goods and competitors' goods still are displayed in the same sections of the stores. Moreover, the fact that retailers display opposer's goods in opposer's own fixtures and with opposer's own signage appears to be the result of opposer's dominance in the market and popularity among purchasers. If anything, opposer's use of in-store fixturing and signage dedicated to the prominent display of opposer's goods enhances the strength and fame of opposer's mark, and such fame can never weigh against opposer in our likelihood of confusion analysis. *See Kenner Parker Toys, Inc. v. Rose Art Industries, Inc., supra.*

Pont factor accordingly weighs in opposer's favor, or is neutral at best.

Similar Marks in Use on Similar Goods

The sixth *du Pont* factor requires us to consider "the number and nature of similar marks in use on similar goods." The evidence of record in this case does not show the existence of any such third-party uses of CARTER'S marks (or marks similar thereto) on the goods at issue.[26] The absence of evidence of similar marks in use on similar goods weighs in opposer's favor in our likelihood of confusion analysis.

Actual Confusion

There is no evidence of any instances of actual confusion between opposer's mark and applicant's mark as applied to the goods involved in Opposition No. 91111355, i.e., sleepwear and bathrobes. However, there likewise

[26] The third-party registrations applicant submitted with its brief have been stricken and are not of record. Even if they had been properly made of record, they (like the CARTERCOPTERS registration (Reg. No. 2,472,509) which applicant has properly made of record – see *supra* at footnote 7) are not evidence that the marks depicted therein are in use or that purchasers are familiar with them, and they therefore are not probative evidence under the sixth *du Pont* factor. *See Olde Tyme Foods Inc. v. Roundy's Inc*., 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

is no evidence that applicant has ever used its mark on such goods. In such circumstances, we cannot conclude that there has been any opportunity for actual confusion to have arisen, and the absence of evidence of actual confusion therefore is factually unsurprising and legally irrelevant. *See Gillette Canada Inc. v. Ranir Corp.,* 23 USPQ2d 1768 (TTAB 1992). The seventh and eighth *du Pont* evidentiary factors therefore are neutral in this case.[27]

House Mark

The record shows that opposer uses its CARTER'S mark as a house mark for a wide variety of products relating to children and infants, including sleepwear, playwear, layette, underwear, swimwear, shoes, hosiery, outerwear, hats and gloves, bedding, wallpaper, rugs, room décor, accessories, diaper bags, dolls, plush toys, wooden toys and puzzles, strollers, bouncy seats, play yards and toiletries. (Calkins 4/17/01 Depo. at 16-18.) Ms. Calkins testified as follows:

[27] As noted above, the testimony of opposer's customer relations supervisor Sherrie Coker might be construed as evidence that actual source confusion has occurred with respect to goods which are not at issue in this proceeding. However, opposer has expressly stated that it is not relying on such testimony as evidence on the issue of actual confusion, and we therefore will not consider it as such. Applicant's contentions that the testimony is either hearsay or shows merely de minimis actual confusion likewise are moot.

> Q. Why does Carter's license the use of the Carter's mark for such a broad array of products?
> A. We have determined that – we've determined that Carter's is really a lifestyle brand and consumers have told us. We've done a lot of research with them and they've told us that they want Carter's to expand into different categories. And it makes sense for the brand to be in those categories related to children.

(*Id.*) Based on this evidence, we find that the ninth *du Pont* factor weighs in opposer's favor in this case.[28]

Extent of Potential Confusion

Given the fame of opposer's mark and the fact that opposer sells 20 million sleepwear units annually, and given the relatively inexpensive cost of these goods, we find that the extent of potential confusion which would result from applicant's use of a confusingly similar mark to sell the same type of goods in the same trade channels and to the same purchasers is substantial, not de minimis. The twelfth *du Pont* factor therefore weighs in opposer's favor in this case.

[28] In its brief, applicant contends that its CARTER'S WATCH THE WEAR likewise is a house mark used on a wide variety of apparel. This claim is not substantiated by the record.

Conclusion

For the reasons discussed above, we find that the evidence of record pertaining to the *du Pont* factors leads inevitably to the conclusion that confusion is likely to result from applicant's use of its mark on the goods identified in the application. Because opposer also has established its standing and either its priority of use or its ownership of a registration, opposer's Section 2(d) ground of opposition in Opposition No. 91111355 is sustained.

OPPOSITION NO. 91111375

We turn next to opposer's Section 2(d) ground of opposition to applicant's application Serial No. 75326378, by which applicant seeks to register the mark CARTER'S WATCH THE WEAR (in typed form) for "disposable diapers."

STANDING

Opposer has made of record a status and title copy of its pleaded Registration No. 1,117,280, which is of the mark CARTER'S (in typed form) for, *inter alia*, layette[29] items including blankets, towels, face cloths,

[29] Ms. Calkins testified that "[l]ayette is … baby clothes for newborns. It's really meant to be the first thing a baby needs

underwear, bunting, bibs, booties and bonnets. (Opposer's notice of reliance, Exh. B.) Opposer also has proven that it uses its CARTER'S mark diaper bags and diaper covers. (Calkins 4/17/01 Depo. at 12-13, 42-43, and 48-49.) In view thereof, and because opposer has asserted a non-frivolous likelihood of confusion claim, we find that opposer has established its standing to oppose registration of applicant's mark in Opposition No. 91111375. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Company*, *supra*.

PRIORITY

Applicant has not used its mark on the "disposable diapers" identified in its intent-to-use application. (Opposer's requests for admission nos. 17 and 25 (Exhibit C to opposer's notice of reliance); Moskowitz 8/12/99 Depo. at 50-51 (Exhibit D to opposer's notice of reliance)). Thus, the earliest date upon which applicant can rely for priority purposes is the July 16, 1997 filing date of its application.

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and wears. It includes underwear, bodysuits, stretchies, receiving blankets, hooded towels, and washcloths, gowns, bibs, bonnets, booties, creepers. Those are primarily the items that fall into layette." (*Id*. at 42.) We take judicial notice that Webster's Ninth New Collegiate Dictionary (1990), at p. 678, defines "layette" as "a complete outfit of clothing and equipment for a newborn infant."

Opposer has not used its CARTER'S mark on disposable diapers. (Rowan Depo. at 42; Calkins 4/17/01 Depo. at 78.)[30] However, opposer bases its Section 2(d) claim in this opposition on its ownership of Registration No. 1,117,280, which is of the mark CARTER'S for the various layette and underwear items mentioned above. Because opposer has proven the status and title of this registration, priority is not at issue with respect to the goods identified therein. *King Candy Co. v. Eunice King's Kitchen, Inc., supra.* Moreover, opposer also has proven that it has used its CARTER'S mark on diaper bags since the early 1990's and on diaper covers since at least as early as 1989. (Calkins 4/17/01 Depo. at 47-49.)

Accordingly, we find that priority is not at issue with respect to the layette and underwear items identified in opposer's Registration No. 1,117,280, and that opposer has proven priority of use with respect to its diaper bags and diaper covers.[31]

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[30] Nor has opposer used its mark on cloth diapers. (Calkins 4/17/01 Depo. at 44.)

[31] CARTER'S is a surname, and therefore opposer, to demonstrate priority with respect to its common law uses, must show that CARTER'S acquired distinctiveness as a mark prior to the filing date of applicant's application. Because opposer's use of its mark on diaper bags and diaper covers commenced at least five

LIKELIHOOD OF CONFUSION

Fame of Opposer's Mark

As discussed above in connection with Opposition No. 91111355, we find that opposer's mark is famous as applied to infants' and children's apparel in general, and sleepwear in particular. The evidence of record also establishes that opposer's mark is famous as applied to its layette items, including infants' undergarments.

Opposer's CARTER'S mark long has been the top-selling brand of layette in the country in terms of both dollars and units sold. (Calkins 4/17/01 Depo. at 56, 74-76.) In the year 2000, opposer's total layette sales (at wholesale and through opposer's own outlet stores) were between $175 million and $200 million. (*Id*. at 57.) Likewise in the year 2000, opposer sold over 40 million units of its CARTER'S-branded baby products, which is

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years prior to applicant's application filing date, and in view of the obvious relationship between diaper covers, diaper bags and the layette and underwear items identified in opposer's registrations, we find that opposer's CARTER'S mark, as applied to diaper covers and diaper bags, had acquired distinctiveness prior to applicant's application filing date, and that opposer therefore has priority of secondary meaning in the CARTER'S designation as applied to diaper bags and diaper covers, as well as priority of use on such goods. *See, e.g., Perma Ceram Enterprises, Inc. v. Preco Industries, Ltd*., *supra*; c*f.* Trademark Act Section 2(f), 15 U.S.C. §1052(f); Trademark Rule 2.41(b), 37 C.F.R. §2.41(b).

over ten products for every baby born in the United States, according to Ms. Calkins' unchallenged testimony. (*Id*.) Opposer's market share for layette in 2000 was 28% in its target market (i.e., all retail trade channels except for discount stores such as K-Mart), which is five times the share of its nearest competitor. (*Id*. at 56-57.)[32] Opposer's layette sales have been increasing and are expected to continue increasing at 9% to 10% per year. (*Id*. at 67-68.) Opposer's layette items are prominently featured in opposer's advertising and promotional activities, upon which opposer spends approximately $10 million annually. (*Id*. at 57-67.) Additionally, opposer's wholesale shipments of children's underwear (ages eighteen months to twelve years old) totaled approximately $3 million in 2000, and its wholesale shipments of diaper bags in that year totaled approximately $4 million. (*Id*. at 47, 48.)

Based on this evidence, we find that opposer's mark is famous as applied to its layette products, including infants' undergarments. The fame of opposer's mark in the fields of layette and infants' and children's

[32] When the discount stores are factored in, opposer's market share is smaller than 28%, but is still the largest share in the market in terms of both dollars and units sold. (Calkins 4/17/01 Depo. at 74-76.)

sleepwear, where opposer dominates the market, "casts a long shadow" which, we find, extends to the "disposable diapers" involved in the present opposition.[33] *See Recot Inc. v. M.C. Becton, supra*. Thus, we find that the fifth *du Pont* factor weighs in opposer's favor, and that it indeed must play a dominant role in our likelihood of confusion analysis.

Similarity of Marks

For the reasons discussed above with respect to Opposition No. 91111355, we find that applicant's mark CARTER'S WATCH THE WEAR is similar, rather than dissimilar, to opposer's mark CARTER'S. This is especially so given the fame of opposer's mark and the resulting enhanced scope of protection to be accorded that mark.

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[33] Contrary to applicant's contention, in finding that the "long shadow" cast by opposer's famous mark extends to applicant's disposable diapers, we are not granting opposer "rights in gross" in its mark as applied to any and all infant's and children's products. Rather, we are finding that the fame of opposer's mark for layette (and sleepwear) is of sufficient scope that it extends to, and must be given great weight in, our analysis of the registrability of applicant's mark as applied to the goods at issue here, i.e., disposable diapers. *See Recot Inc. v. M.C. Becton, supra*. The same goes for the hosiery involved in Opposition No. 91114616 and, to a lesser extent, the toys involved in Opposition No. 91115259. See discussion *infra*.

Similarity of Goods

The following general principles apply to our determination of whether the "disposable diapers" identified in applicant's application[34] are similar or dissimilar to the layette and underwear identified in opposer's Registration No. 1,117,280, and to the diaper bags and diaper covers as to which opposer has proven its priority.

It is not necessary that the respective goods be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is sufficient that the goods are related in some manner, or that the circumstances surrounding their marketing are such, that they would be likely to be encountered by the same persons in situations that would give rise, because of the marks used thereon, to a mistaken belief that they originate from or are in some way associated with the same source or that there is an association or connection between the sources of the respective goods. *See In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223

[34] Applicant argues that it intends to market disposable diapers for adults as well as for infants, and that use of its mark on adult diapers is not likely to cause confusion vis-à-vis opposer's infants' and children's products. However, applicant's identification of goods is not restricted to adult diapers but rather encompasses disposable diapers for infants and children.

USPQ 1289 (Fed. Cir. 1984)*; In re Melville Corp.,* 18 USPQ2d 1386 (TTAB 1991); *In re International Telephone & Telegraph Corp.*, 197 USPQ2d 910 (TTAB 1978).

We find that the "disposable diapers" identified in applicant's application are similar and related to the "underwear" identified in opposer's registration. Ms. Calkins testified that diapers are related to underwear because "they basically have the same end use, but for different age and sized children. Diapers are really underwear for babies." (Calkins 4/17/01 Depo. at 47.) We agree. Until they are toilet-trained, babies and young children wear diapers under their clothes. Additionally, we find that disposable diapers are related to the other layette items identified in opposer's registration (especially the various undergarments for babies such as undershirts and bodysuits) which are worn in conjunction with diapers. (*Id*. at 42.) It is not dispositive that opposer's underwear and layette items are made of fabric while applicant's disposable diapers are made of paper, or that layette and underwear do not serve the utilitarian absorbent function of diapers and thus are not interchangeable with diapers, as applicant

argues. Layette and disposable diapers are complementary products in which babies are dressed.

We also find that applicant's disposable diapers are related to opposer's diaper covers and diaper bags. The complementary relationship of these products is apparent from their very names. Diaper covers are "fabric, little panties that you wear over a diaper to cover it. And they typically coordinate back to an outfit." (*Id*. at 49.) Applicant argues that diaper covers and disposable diapers are not related because diaper covers cannot be worn in lieu of diapers, and because diaper covers are apparel items rather than purely functional items like diapers. Again, however, the fact that the products are not interchangeable or identical is not dispositive. These goods clearly are complementary; diaper covers are worn over diapers. Likewise, opposer's diaper bags clearly are complementary and related to applicant's disposable diapers. Diaper bags "are bags that parents carry to put diapers in, to put baby wipes, to put baby lotions. So it's really a bag to carry diapers when you're out with your baby." (*Id*. at 47.) Contrary to applicant's argument, the fact that diaper bags can be used to carry items in addition to diapers (such as layette items, wipes, lotions, formula, etc.) does not

negate or detract from the obvious complementary relationship between diapers and diaper bags.

Applicant's president, Mr. Moskowitz, testified that he regards disposable diapers as being within applicant's natural zone of expansion. (Moskowitz 8/12/99 Depo. at 85-86.) If it is natural for a company like applicant, which traditionally has focused on children's workwear, to expand into the disposable diaper field, then *a fortiori* it would be natural for purchasers to assume that a company like opposer, which is famous for its layette and other infant clothing items, also would sell disposable diapers. That opposer has not yet done so is not dispositive, for purposes of the second *du Pont* factor. Furthermore, Ms. Calkins testified that at least one disposable diaper maker (Pampers) is expanding into the children's apparel field and will be using the PAMPERS brand on such goods. (Calkins 4/17/01 Depo. at 42.) Mr. Moskowitz testified that he is aware of another manufacturer (Braha) which produces both disposable diapers and children's clothing. (Moskowitz 8/12/99 Depo. at 83-84.)

Based on the evidence discussed above, we find that the "disposable diapers" identified in applicant's application are sufficiently similar and related to the

layette and underwear items identified in opposer's Registration No. 1,117,280, as well as to opposer's diaper covers and diaper bags, that confusion is likely to result if these goods are marketed under confusingly similar marks. We have carefully considered applicant's arguments to the contrary (including those not specifically discussed herein), but we are not persuaded. The second *du Pont* factor weighs in opposer's favor.

Trade Channels and Classes of Purchasers

Applicant's identification of goods includes no restrictions or limitations as to trade channels or classes of purchasers, so we must presume that applicant's disposable diapers will be marketed in all normal trade channels and to all normal classes of purchasers for such goods. *See Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, *supra*. Likewise, opposer's registration includes no such restrictions or limitations as to the layette and underwear items identified therein. Opposer currently markets those items, as well as its diaper bags and diaper covers, in department stores, national chain stores, outlet stores, off-price stores and specialty stores. (Calkins 4/17/01 Depo. at 51-53.)

The record shows that there is an overlap in the trade channels for disposable diapers, on one hand, and for layette, infants' and children's underwear, diaper bags and diaper covers, on the other. Ms. Calkins testified that disposable diapers and opposer's CARTER'S-branded layette and other infant products are available at both specialty store chains such as Babies R Us and Buy Buy Baby, as well as at off-price stores such as Sam's Club and Costco. (*Id*. at 53-54.) Mr. Moskowitz acknowledged in his discovery deposition that disposable diapers and children's apparel both can be purchased at discount stores such as Target, Wal-Mart and K-Mart. (Moskowitz 8/12/99 Depo. at 87-89.)[35] Although opposer does not currently market its CARTER'S-branded layette and underwear products in these discount store trade channels, they are among the normal trade channels for such goods and thus are encompassed within the scope of opposer's registration for such goods.[36]

[35] Applicant asserts in its brief that disposable diapers and children's and infants' apparel would be sold in different aisles or sections of these stores, but there is no testimony or other evidence in the record to support that assertion. Even if there were such evidence, the fact that the goods might be sold in different sections of stores is not dispositive, especially given the complementary nature of the products and the fame of opposer's CARTER'S mark.

[36] In discount stores such as Target, opposer markets lines of layette and children's apparel under the marks TYKES and BABY

We also find that the normal classes of purchasers of disposable diapers obviously include parents and others who are responsible for the care of infants. These also are among the normal classes of purchasers of opposer's layette items, underwear, diaper bags and diaper covers. (Calkins 4/17/01 Depo. at 15, 67.)

Applicant contends that disposable diapers are sold in some trade channels (such as supermarkets and drugstores) in which layette and apparel such as opposer's are not sold, and that layette and apparel are sold in some trade channels (such as department stores) in which disposable diapers are not sold. Assuming that is the case, however, it is not dispositive. Even if the respective trade channels do not overlap exactly and in all respects, they still overlap in the manners discussed above. Likewise, as discussed above in connection with Opposition No. 91111355, it is not dispositive that approximately 40% of opposer's sales are made through opposer's own outlet stores, a trade channel in which applicant's goods presumably would not travel.

Based on the evidence discussed above, we find that the trade channels for the parties' respective goods are

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TYKES. These products bear hangtags with the wording "a division of Carter's." (Calkins 4/17/01 Depo. at 31-32, 71 and 74.)

overlapping, that the classes of purchasers for such goods likewise are overlapping, and that the third *du Pont* evidentiary factor accordingly weighs in opposer's favor.

Purchasing Conditions

We find that the goods at issue here are ordinary consumer items, which are purchased by ordinary consumers with no more than ordinary care. Opposer's layette items often are sold in multipacks which retail for between six and ten dollars; special gift items may retail for twenty dollars. (Calkins 4/17/01 Depo. at 70-71.) Applicant argues that disposable diapers often are purchased in bulk, and that they therefore can be among the more expensive items on the purchaser's grocery list. However, applicant has presented no evidence to support these assertions. Instead, we find that disposable diapers are normal consumer goods, and that there is nothing about their cost or the manner in which they are marketed that would cause purchasers to use more than ordinary care in purchasing them. The fourth *du Pont*

factor accordingly weighs in opposer's favor, or is neutral at best.[37]

Similar Marks in Use on Similar Goods

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that there is no evidence of any similar marks in use on similar goods. The sixth *du Pont* factor therefore weighs in opposer's favor in the present opposition.

Actual Confusion

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that there is no evidence of any instances of actual confusion between opposer's mark and applicant's mark as applied to the goods involved in this opposition proceeding, but neither is there any evidence from which we could conclude that there has been any opportunity for actual confusion to have arisen. The seventh and eighth *du Pont* evidentiary factors therefore are neutral in this case.

[37] Also, for the reasons discussed above in connection with Opposition No. 91111355, the fact that opposer's layette and underwear, when sold in department stores, may be displayed with in-store fixturing featuring opposer's goods does not weigh against opposer under either the third or the fourth *du Pont* factor. See *supra* at footnote 25.

House Mark

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that opposer uses its CARTER'S mark as a house mark for a wide variety of products relating to children and infants, and that the ninth *du Pont* factor therefore weighs in opposer's favor in this case.

Extent of Potential Confusion

Given the fame of opposer's mark and the fact that opposer sells 40 million units of layette and other infant products annually, and given the relationship between these goods of opposer's and disposable diapers, including their overlapping trade channels and classes of purchasers, we find that the extent of potential confusion which would result from applicant's use of a confusingly similar mark is substantial, not de minimis. The twelfth *du Pont* factor

therefore weighs in opposer's favor in this case.

Conclusion

For the reasons discussed above, we find that the evidence of record pertaining to the *du Pont* factors leads inevitably to the conclusion that confusion is likely to result from applicant's use of its mark on the "disposable diapers" identified in the application. Because opposer also has established its standing and either its priority of use or its ownership of a registration, opposer's Section 2(d) ground of opposition in Opposition No. 91111375 is sustained.

OPPOSITION NO. 91114616

We turn next to opposer's Section 2(d) ground of opposition to applicant's application Serial No. 75454768, by which applicant seeks to register the mark CARTER'S WATCH THE WEAR (in typed form) for "hosiery."

STANDING

Opposer has made of record a status and title copy of its pleaded Registration No. 1,117,280, which is of the mark CARTER'S (in typed form) for goods which include "clothing for infants and children, namely, … booties …

and slippers." Opposer also has proven that it has used its CARTER'S mark on children's socks and hosiery since 1991. (Calkins 7/31/01 Depo. at 26-27.) In view thereof, and because opposer has asserted a non-frivolous likelihood of confusion claim, we find that opposer has established its standing to oppose registration of applicant's mark in Opposition No. 91114616. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Company*, *supra*.

PRIORITY

Opposer has proven the status and title of its pleaded Registration No. 1,117,280, so priority is not at issue with respect to the infants' and children's "booties" and "slippers" included in that registration's identification of goods. *King Candy Co. v. Eunice King's Kitchen, Inc., supra*. Opposer also has proven that it has used its CARTER'S mark on children's socks and hosiery since 1991. (Calkins 7/31/01 Depo. at 26-27.) The earliest date on which applicant may rely for priority purposes is the March 28, 1998 filing date of its intent-to-use application.[38] Therefore, we find that priority is not an issue with respect to opposer's

[38] Applicant's earliest wholesale shipment of hosiery occurred in August 1998. (Moskowitz 3/16/00 Depo. at 49-50.)

infants' and children's booties and slippers, and that opposer has established its priority of use with respect to its other types of children's socks and hosiery.[39]

LIKELIHOOD OF CONFUSION

Fame of Opposer's Mark

The evidence establishes that opposer had approximately $9 million in wholesale sales of hosiery in the year 2000, which translates to approximately $15-$16 million in retail sales, a figure which is consistent with sales in previous years. (Calkins 7/31/01 Depo. at 28-29.) These sales figures show that opposer's use of the mark has been significant. Moreover, the overall fame of opposer's mark in the fields of layette and

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[39] CARTER'S is a surname, and therefore opposer, to demonstrate priority with respect to its common law uses, must show that CARTER'S acquired distinctiveness prior to the filing date of applicant's application. Because opposer's use of its mark on children's hosiery commenced at least five years prior to applicant's application filing date, and in view of the obvious relationship between children's hosiery and the other children's apparel items identified in opposer's registrations, we find that opposer's CARTER'S mark, as applied to children's hosiery (and to the extent that opposer's registrations do not encompass such hosiery), had acquired distinctiveness prior to applicant's application filing date, and that opposer therefore has priority of secondary meaning in the CARTER'S designation as applied to children's hosiery, as well as priority of use on such goods. *See, e.g., Perma Ceram Enterprises, Inc. v. Preco Industries, Ltd*., *supra*; c*f.* Trademark Act Section 2(f), 15 U.S.C. §1052(f); Trademark Rule 2.41(b), 37 C.F.R. §2.41(b).

infants' and children's sleepwear, where opposer dominates the market, "casts a long shadow" which, we find, extends to the hosiery products involved in the present opposition. *See Recot Inc. v. M.C. Becton, supra*. Thus, we find that the fifth *du Pont* factor weighs in opposer's favor, and that it indeed must play a dominant role in our likelihood of confusion analysis.

Similarity of Marks

For the reasons discussed at length in connection with Opposition No. 91111355, supra, we find that opposer's CARTER'S mark is similar, rather than dissimilar, to applicant's CARTER'S WATCH THE WEAR mark. This is especially so in view of the fame of opposer's mark, *see Kenner Parker Toys, supra*, and the legal identity of the parties' goods (discussed *infra*), which decreases the degree of similarity between the marks which is necessary to support a finding of likelihood of confusion. *See Century 21 Real Estate Corp., supra*.

Similarity of Goods

Applicant's goods are identified in the application as "hosiery," without further limitation or restriction; the identification thus encompasses all types of hosiery,

including infants' and children's hosiery. *See Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, *supra*. We find that applicant's hosiery products are complementary or alternatives for, and thus related to, the infants' and children's booties and slippers identified in opposer's registration.[40] Opposer also has proven that it is the prior user of its CARTER'S mark on infants' and children's hosiery, which Ms. Calkins identified as "primarily socks, tights and booty [sic – bootie] socks." (Calkins 7/31/01 Depo. at 26-27.) These goods obviously are encompassed within and legally identical to the "hosiery" identified in applicant's application. Finally, we also find that applicant's "hosiery" is complementary and related to opposer's layette and sleepwear items generally, and that the fame of opposer's mark as applied to those products is such that purchasers are likely to assume that hosiery sold under applicant's similar mark originates from or is sponsored by opposer.

[40] Applicant has argued that the "booties" identified in opposer's registration are "shoes" rather than "hosiery." Opposer responds by arguing that booties are socks worn by infants. The parties have submitted dictionary definitions supporting both meanings of the term. Whether they are shoes or socks, or both, we find that "booties" are footwear for infants, and that they therefore are related to infants' hosiery.

For each of these reasons, we find that the second *du Pont* factor weighs in opposer's favor in this case.

Trade Channels and Classes of Purchasers

Applicant's identification of goods includes no restrictions or limitations as to trade channels or classes of purchasers, so we must presume that applicant's "hosiery" is or will be marketed in all normal trade channels and to all normal classes of purchasers for such goods. *See Canadian Imperial Bank of Commerce, supra.* Opposer markets its infants' and children's hosiery products in department stores, national chain stores, children's apparel specialty stores and off-price stores. (Calkins 7/31/01 Depo. at 14, 28.) These trade channels are among the normal trade channels for such goods, and thus they are legally identical to the trade channels in which applicant's goods are presumed to move. Likewise, opposer's other hosiery items are marketed to mothers, grandmothers and gift-givers (Calkins 4/17/01 Depo. at 16-17), who are among the normal classes of purchasers for such goods and who thus must be presumed to be the among the classes of purchasers of applicant's hosiery as well.

For these reasons, we find that applicants' goods and opposer's goods are marketed in the same trade channels and to the same classes of purchasers.[41] The third *du Pont* factor weighs in opposer's favor.

Purchasing Conditions

Opposer's hosiery items retail for less than ten dollars on average. (Calkins 7/31/01 Depo. at 27.) The average retail prices for applicant's hosiery items are $1.99 for one pair, $3.99 for three pairs and $5.99 for six pairs. (Applicant's answer to opposer's interrogatory no. 1(c); Exhibit E to opposer's notice of reliance.) We therefore find that the goods at issue here are ordinary consumer items, which are purchased by ordinary consumers with no more than ordinary care. The fourth *du Pont* factor accordingly weighs in opposer's favor, or is neutral at best.[42]

[41] For the reasons discussed above in connection with Opposition No. 91111355, it is not dispositive that opposer also sells its goods in its own outlet stores. The overlap in remaining trade channels supports a finding of likelihood of confusion under the third *du Pont* factor.

[42] For the reasons discussed above in connection with Opposition No. 91111355, the fact that opposer's hosiery items, when sold in department stores, may be displayed with in-store fixturing featuring opposer's goods does not weigh against opposer under either the third or the fourth *du Pont* factor. See *supra* at footnote 25.

Similar Marks in Use on Similar Goods

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that there is no evidence of any similar marks in use on similar goods. The sixth *du Pont* factor therefore weighs in opposer's favor in the present opposition.

Actual Confusion

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that there is no evidence of any instances of actual confusion between opposer's mark and applicant's mark as applied to hosiery. However, the only evidence of record as to applicant's actual sales of hosiery shows that applicant sold approximately $120,000 at wholesale in 1998. (Moskowitz 3/16/2000 Discovery Depo. at 68.) We cannot conclude from this evidence that there has been any significant opportunity for actual confusion to have occurred. The seventh and eighth *du Pont* evidentiary factors therefore are neutral in this case.

House Mark

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that opposer uses its CARTER'S mark as a house mark for a wide variety of products relating to children and infants, and that the ninth *du Pont* factor therefore weighs in opposer's favor in this case.

Extent of Potential Confusion

Given the fame of opposer's mark and the volume of opposer's hosiery sales, and given the legally identical nature of the parties' goods, trade channels and classes of purchasers, we find that the extent of potential confusion which would result from applicant's use of a confusingly similar mark is substantial, not de minimis. The twelfth *du Pont* factor therefore weighs in opposer's favor in this case.

Conclusion

For the reasons discussed above, we find that the evidence of record pertaining to the *du Pont* factors leads inevitably to the conclusion that confusion is likely to result from applicant's use of its mark on the "hosiery" identified in the application. Because opposer also has established its standing, and its ownership of a

registration and its priority of use, opposer's Section 2(d) ground of opposition in Opposition No. 91114616 is sustained.

OPPOSITION NO. 91115259

We turn finally to opposer's Section 2(d) ground of opposition to applicant's application Serial No. 75499446, by which applicant seeks to register the mark CARTER'S WATCH THE WEAR (in typed form) for "toys, namely board games, card games, stuffed toy animals, dolls, jigsaw puzzles."

STANDING

Opposer has made of record a status and title copy of its pleaded Registration No. 1,830,836, which is of the mark CARTER'S (in typed form) for goods which include "children's toys and playthings, namely, rattles [and] dolls." (Opposer's notice of reliance, Exhibit C.) Opposer also has proven that, since 1992, it has licensed use of its CARTER'S mark on soft plush toys, including stuffed animals. (Calkins 7/31/01 Depo. at 30-31.) In view thereof, and because opposer has asserted a non-frivolous likelihood of confusion claim, we find that opposer has established its standing to oppose

registration of applicant's mark in Opposition No. 91115259. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Company*, *supra*.

PRIORITY

Opposer has proven the status and title of its pleaded Registration No. 1,830,836, so priority is not at issue with respect to the "children's toys and playthings, namely, rattles [and] dolls" identified in that registration. *King Candy Co. v. Eunice King's Kitchen, Inc., supra.* Opposer also has proven that it has used its CARTER'S mark on soft plush toys, including stuffed animals, since 1992. (Calkins 7/31/01 Depo. at 29-31.) Applicant has not used its mark on toys (answer to interrogatory no. 1 in 91115259; Exhibit F to opposer's notice of reliance), so the earliest date on which applicant may rely for priority purposes is the June 10, 1998 filing date of its intent-to-use application.

Therefore, we find that priority is not an issue with respect to the "children's toys and playthings, namely, rattles [and] dolls" identified in opposer's registration, and that opposer has established its

priority of use with respect to soft plush toys including stuffed toy animals.[43]

LIKELIHOOD OF CONFUSION

Fame of Opposer's Mark

Opposer's wholesale sales of CARTER'S-branded toys totaled approximately $12 million in the year 2000, which translates to between $18 and $20 million in retail sales. (Calkins 7/31/01 Depo. at 32-33.)[44] These sales figures must be viewed in the context of the overall fame

[43] CARTER'S is a surname, and therefore opposer, to demonstrate priority with respect to its common law uses, must show that CARTER'S acquired distinctiveness prior to the filing date of applicant's application. Because opposer's use of its mark on soft plush stuffed animal toys commenced at least five years prior to applicant's application filing date, and in view of the obvious relationship between those goods and the "dolls" identified in opposer's registration, we find that opposer's CARTER'S mark, as applied to soft plush stuffed animal toys, had acquired distinctiveness prior to applicant's application filing date, and that opposer therefore has priority of secondary meaning in the CARTER'S designation as applied to soft plush stuffed animal toys, as well as priority of use on such goods. *See, e.g., Perma Ceram Enterprises, Inc. v. Preco Industries, Ltd*., *supra*; c*f.* Trademark Act Section 2(f), 15 U.S.C. §1052(f); Trademark Rule 2.41(b), 37 C.F.R. §2.41(b).

[44] Applicant argues that opposer's sales of educational toys (as opposed to plush toys) should not be included in a determination of opposer's total sales because opposer did not commence use of its mark on such toys until 1999, subsequent to the filing date of applicant's application. We disagree. Regardless of when opposer began use of its mark on particular toys, its sales of those toys contribute to the total volume of opposer's sales of toys, a figure which is probative evidence in our determination of the current fame of opposer's mark in the marketplace. It is that current fame of the mark which is relevant to our

of opposer's mark in the fields of layette and infants' and children's sleepwear, where opposer dominates the market. *See Recot v. M.C. Becton, supra*.

Thus, in this opposition involving toys, we find that the fame of opposer's mark weighs in opposer's favor, albeit to a somewhat lesser extent than it does in the other three consolidated oppositions.

Similarity of Marks

For the reasons discussed at length in connection with Opposition No. 91111355, supra, we find that opposer's CARTER'S mark is similar, rather than dissimilar, to applicant's CARTER'S WATCH THE WEAR mark. This is especially so in view of the legal identity of the parties' "dolls" and "stuffed toy animals" (discussed *infra*), which decreases the degree of similarity between the marks which is necessary to support a finding of likelihood of confusion. *See Century 21 Real Estate Corp., supra*.

Similarity of Goods

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likelihood of confusion analysis, under the fifth *du Pont* factor.

We find that the "dolls" identified in applicant's application are legally identical to the "dolls" identified in opposer's registration, and that the "stuffed toy animals" identified in applicant's application are legally identical to the stuffed toy animals as to which opposer has proven prior use of its mark. In view of the legally identical nature of these particular items, we need not decide whether the other Class 28 items identified in applicant's application are related to any of opposer's goods, although we note that applicant itself contends that such items are "an obvious accessory for children" and that they therefore are within the natural zone of expansion for a company marketing children's clothing. (Applicant's brief at 1.)

The second *du Pont* factor weighs in opposer's favor.

Trade Channels and Classes of Purchasers

Applicant's identification of goods includes no restrictions or limitations as to trade channels or classes of purchasers, so we must presume that applicant's goods will be marketed in all normal trade channels and to all normal classes of purchasers for such goods. *See Canadian Imperial Bank of Commerce, supra*. In view thereof, and in view of the legally identical

nature of the parties' respective "dolls" and "stuffed toy animals," we find that the trade channels for such items, and the classes of purchasers for such items, are overlapping to a large extent.[45] The third *du Pont* factor weighs in opposer's favor.

Purchasing Conditions

Opposer's toys, including its dolls and stuffed animals, retail for under twenty dollars. (Calkins 7/31/01 Depo. at 30, 32.) The items identified in applicant's application likewise are inexpensive. We therefore find that the goods at issue here are ordinary consumer items, which are purchased by ordinary consumers with no more than ordinary care. The fourth *du Pont* factor accordingly weighs in opposer's favor, or is neutral at best.[46]

Similar Marks in Use on Similar Goods

[45] As discussed above in connection with the other oppositions, sixty percent of opposer's toys are sold in retail channels other than opposer's own outlet stores.

[46] For the reasons discussed above in connection with Opposition No. 91111355, the fact that opposer's toys, including its dolls and stuffed animals, when sold in department stores, may be displayed with in-store fixturing featuring opposer's goods does not weigh against opposer under either the third or the fourth *du Pont* factor. See *supra* at footnote 25.

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that there is no evidence of any similar marks in use on similar goods. The sixth *du Pont* factor therefore weighs in opposer's favor in the present opposition.

Actual Confusion

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that there is no evidence of any instances of actual confusion between opposer's mark and applicant's mark as applied to the goods involved in this opposition proceeding, but neither is there any evidence from which we could conclude that there has been any opportunity for actual confusion to have arisen. Applicant has not used its mark on toys. The seventh and eighth *du Pont* evidentiary factors therefore are neutral in this case.

House Mark

For the reasons discussed *supra* in connection with Opposition No. 91111355, we find that opposer uses its CARTER'S mark as a house mark for a wide variety of products relating to children and infants, and that the

ninth *du Pont* factor therefore weighs in opposer's favor in this case.

Extent of Potential Confusion

Given the fame of opposer's mark and the volume of opposer's toy sales, and given that the parties' goods are legally identical in part, with overlapping trade channels and classes of purchasers, we find that the extent of potential confusion which would result from applicant's use of a confusingly similar mark is substantial, not de minimis. The twelfth *du Pont* factor therefore weighs in opposer's favor in this case.

Conclusion

For the reasons discussed above, we find that the evidence of record pertaining to the *du Pont* factors leads inevitably to the conclusion that confusion is likely to result from applicant's use of its mark on at least some of the items identified in the application. Because opposer also has established its standing and either its priority of use or its ownership of a registration, opposer's Section 2(d) ground of opposition in Opposition No. 91115259 is sustained.

DECISION: Opposer's oppositions to registration of applicant's mark in each of these consolidated proceedings, i.e., Opposition Nos. 91111355, 91111375,[47] 91114616 and 91115259, are sustained.

[47] Application Serial No. 75326378, involved in Opposition No. 91111375, shall proceed to issuance of a notice of allowance as to the unopposed Class 3 and Class 18 goods identified therein.